

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**HB 1551 - SB 1485**

March 14, 2011

**SUMMARY OF BILL:** Removes the one-year statute of limitations, under the Tennessee Title Pledge Act, for private rights of action by a borrower against a title pledge lender. Requires any person who has made a complaint about a title pledge lender be provided a written notice of any hearing to suspend or revoke a title pledge lender's license and the opportunity to participate and present evidence in the hearing. Requires a title pledge lender to notify the Commissioner of the Department of Financial Institutions about any civil action against the title pledge lender. Makes certain information provided by the lender to the Commissioner available to public per request. Prohibits the customary fee to be charged on renewals of a title pledge agreement. Requires a renewal statement to be delivered by first class mail to the borrower. Increases, from five to ten percent, the principal reduction payment which a borrower must make beginning with the third renewal of a title pledge agreement. Creates a private right of action for borrowers aggrieved by a title pledge lender. Makes any violation of the Title Pledge Act a violation of the Tennessee Consumer Protection Act and permits the borrower to recover a statutory penalty and punitive damages.

**ESTIMATED FISCAL IMPACT:**

**NOT SIGNIFICANT**

Assumptions:

- The proposed legislation will affect the Department of Financial Institution's administrative and regulatory policies and procedures. The Department will also be required to collect, copy, and furnish requested information to the public.
- Any costs incurred are estimated to be not significant and can be accommodated within existing resources without an increased appropriation or reduced reversion.
- A small increase in cases in the court system, which will result in additional state and local government expenditures for processing the cases and additional state and local government revenue from fees, taxes and costs collected. These expenditures and revenue are estimated to be not significant.

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**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director

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